

Nova Scotia

Film Development Corporation

**Annual Report
1999~2000**



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New Waterford Girl, inX Communications



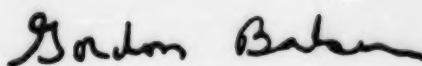
Message from the Minister

Nova Scotia's film industry is one of the brightest new stars of the provincial economy. Our local producers, directors, crews, designers and actors have produced an explosion of growth never before seen in film, television and video production in Nova Scotia.

The Government of Nova Scotia is pleased to be an industry partner through the work of the Nova Scotia Film Development Corporation. The NSFDC's dedicated staff are helping to attract productions to the province with the film tax credit and encourage young people to explore careers in film and television through the Nova Scotia First Works program.

Over the past year, our film industry generated \$130 million in revenues – that's \$11 million more than 1998/99 and a great leap from the \$47.6 million generated in 1996. Jobs are also on the rise with 2,500 people working last year on productions such as *Made In Canada*, *LEXX*, *New Waterford Girl*, *The Divine Ryans*, *Pit Pony*, *The Bette Show* and many others. While entertaining audiences across the country and around the world, these productions are employing talented Nova Scotians here at home and contributing to our economic growth.

To everyone who has helped to grow our film industry, congratulations on another blockbuster year. We look forward to your continued success in the new millennium.



Gordon Balser
Minister responsible for
the Nova Scotia Film Development Corporation



Black Fly, Salter Street Films

September 1, 2000

Message from the Chair

On behalf of the Board of Directors, I am pleased to present the Government and the people of Nova Scotia with the 1999-2000 Annual Report on the activities of the Nova Scotia Film Development Corporation.

The Nova Scotia Film Development Corporation's mandate is to grow the film and video industry in Nova Scotia by stimulating investment and employment and by promoting Nova Scotia's locations, skills and creativity in global markets. With production dollars spent in the province increasing to \$130 million this year we are proud to report that our goal is being met.

One of the major challenges faced by Nova Scotia's filmmakers is the distance between them and the broadcasters and distributors who are located in Toronto and Montreal. To address this challenge the Nova Scotia Film Development Corporation hosted two Broadcaster Forums this year where key decision-makers from each of the major broadcasters are brought to Halifax for several days. During this time the broadcasters are pitched proposals by our local producers. These forums have been tremendously successful and our producers have successfully pitched their ideas and established relationships that will continue.

In order to keep our producers abreast of the current industry practices the Corporation hosted a Business Issues Training Seminar bringing together speakers from the legal, financial, government, broadcasters, banking and strategic planning sectors. This event was well attended and addressed many of the topical issues facing the dynamic film and television industry.

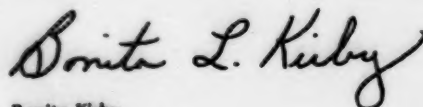
The Nova Scotia Film Development Corporation is proud to have sponsored the Atlantic Film Festival and the Atlantic Digital Media Festival this year. With the number of international delegates increasing each year both of these events provide valuable venues to showcase the

work of our filmmakers and provide exposure for the province of Nova Scotia.

The growth in our film industry could not have been achieved without the active support of the Government of Nova Scotia. The industry has received support and funding initiatives ranging from direct investments in film projects, investment in training initiatives and investment in infrastructure to sustain our industry like the film industry tax credit, soundstages and animation facilities. The Premier, the Honourable John Hamm and the Minister of Economic Development, the Honourable Gordon Balser remain strong supporters of film and new media with a commitment to vigorously promote Nova Scotia as a film, video and multi-media production location.

The CEO, Ann MacKenzie and her team at the Nova Scotia Film Development Corporation have done an excellent job during the period of review. The increase in activity in the film industry and new funding partners is a testament to their hard work and commitment to their clients in the industry.

The Board of Directors appreciates working with the many talented and committed people involved in growing our film and television industry. In addition, the Corporation is pleased to have made a contribution of significance in the growth of the economy in Nova Scotia.

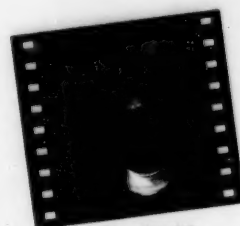


Bonita Kirby
Chair, NSFDC



Board of Directors

Bonita Kirby
Director 1996-97 & Chair 1997-00, Halifax



Bonita Kirby, Director

Vanessa Morrison
Director 1996-00, Cape Breton



Vanessa Morrison, Director

David Pember
Director 1996-97, Secretary 1997-00, Lunenburg County



David Pember, Director

Peggy Walt
Director 1997-00, Halifax

Martin Pink
Director 2000, Yarmouth

Dr. Owen Ferguson
Director 2000, Truro

Michael Conde
Director 2000, Treasurer, Halifax



Martin Pink, Director

Shirley Carras
Director 2000, Halifax



Dr. Owen Ferguson, Director



Michael Conde, Director



Contracted Projects

March 31, 2000

Summary - Program Funds Contracted & Tax Credits Finalized for the year ended March 31, 2000

Equity Investment	\$ 1,916,085
Development Loans	275,767
New Media	159,574
Special Projects	84,000
Training Assistance Program	54,652
Other	354,606
Total Program Funds	2,844,684
Finalized Tax Credits	4,145,927
Total Contracted Program Funds & Finalized Tax Credits	\$ 6,990,611

Equity Investments Contracted March 31, 2000

Big Motion Pictures	Task Force Caviar	\$ 200,000
Breakaway	Breakaway	14,800
Eco Nova	Oceans of Mystery	200,000
Eco Nova	The Circular Journey	45,000
Envision	God's Red Poet	20,000
Helix Animation	For Better or For Worse	100,000
Jigsaw	The Daily Blade	45,000
Mark Productions	Kitty Killer	26,799
Maroon Films	Portia White	46,000
Mentor Films	Dealer	11,036
Ocean	Dark Object	40,000
Ocean	Inn Chef II	180,000
Rusty Pelican	Gales of August	39,158
Salter Street	Blackfly	50,000
Salter Street	Foodessence III	75,000
Salter Street	Mrs. Greenthumbs II	200,000
Secondwave	Bookfair Murders	200,000
Topsail	Operation Smile	18,000
Topsail	Pier 21	59,000
Topsail	Steeplechasing II	80,000
Triad	Hank & Jimmie	23,631
Tri-Media	Anna Leonowens	20,000
Tri-Media	High Seas Rescue	183,100
Ziji	Jo-Ann Mayhew	39,561
TOTAL		\$ 1,916,085

Development Loans Contracted March 31, 2000

Big Motion Pictures	Sherpa Love	\$ 13,489
Big Motion Pictures	Swiss Air III	10,000
Calico Pix	Sanctuary House	10,000
Chicks in Flicks	Food Fight	7,067
Chronical Picture	October	19,000
Collideascope	North of Northwood	5,343
Collideascope	The Heart of Laughter	7,760
Creative Atlantic	Liography	21,450
Creative Atlantic	First & Last	5,000
Flashfire	Involking Nina	10,000
Frankie Production	Frankie The Majic Ass	15,588
Imagex	Movies Come to Gull Pt.	19,923
Imagex	Clothing Culture	10,000
Maverick	Soul Searching Blues	7,000
Mentor	Last Call Mr. Kane	10,000
Mentor	Lauchie, Liso and Rory	4,000
Ocean	Toymaker	4,000
Red Snapper	King of the Castle	9,000
Floating	Sienna	11,402
Redstar	Visionaries	3,900
Topsail	Matheson	6,104
Triad	Sedna	10,000
Triad	Breaking the Cycle	6,450
Triad	Cecil's Journey	10,000
Triad	Learning Peace	14,725
Tri-Media	Voyage of Faith	4,600
Victory	Freetime	9,966
Refugee	Ziji	10,000
TOTAL		\$ 275,767

New Media Contracted March 31, 2000

Adner	Blood & Guts	\$ 20,000
Birling Communications	S-Scape Island	11,000
Blink	Lady of Shalot	16,000
Collideascope	CBN	14,000
Collideascope	Collideavision	5,000
Collideascope	Ollie's Under the Bed Adventure	12,500
Collideascope	The Halifax Explosion	17,074
Collideascope	Canada's Romance with Radio	15,000
Imagex	The Adventures of Crafty Cow	23,000
Nexus Media	Bishop's Nova Scotia	6,000
Virtual Media	Little Buck's Xmas	8,500
Virtual Media	People of the Reefs	11,500
TOTAL		\$ 159,574

Special Projects Contracted March 31, 2000

Norreen Battaglia	Keeper	\$ 6,000
Creighton	Worst Date	6,000
Exposition Films	Sam's Soul	6,000
Fogsweeper	Inbetween	6,000
Gorgous Mistakes	June Bug Symphony	6,000
Evan Kelly	Bank Robber #5	6,000
S. Kelly	Cachet & Catsup	6,000
S. Krizan	Little Johnny Rainbow	6,000
R.Malik	Echoes	6,000
Maverick	Red Hammond	6,000
Wayne Phillips	Me & June	6,000
Telos	The Solution	6,000
K Tolmie	A Rural Life	6,000
Tooth & Claw	Tooth & Claw	6,000
TOTAL		\$ 84,000

Training Assistance Program Contracted March 31, 2000

Fiddlesticks	The Bette Show	\$ 6,854
Flashfire	Rain	2,889
Lobsterville	Blue Moon	4,110
Salter Street	Mrs. Greenthumbs	11,028
Salter Street	Lexx III	12,044
Weight of Water	Weight of Water	7,326
Ziji	The Voice Set Free	10,401
TOTAL		\$ 54,652

Other Contracted March 31, 2000

Atlantic Film Festival	AFF 1999	\$ 45,000
Atlantic Digital Media Festival	ADMF 1999	25,000
Input 2000	CBC	12,500
Centre for Art Tapes	Mentorship Program	4,000
Centre for Art Tapes	Video Dance Program	3,600
Flashfire	Shortworks 2000	15,500
Hot Docs	Hot Docs 1999	3,000
Hot Docs	Hot Docs 2000	3,000
Moving Images Group	1999 Workshop Series - Fall	21,000
National Screen Institute	Drama Prize 1999	10,000
National Screen Institute	Local Heroes 2000	2,500
NSFDC	Business Issues	844
NSFDC	Travel Assist	12,309
NSFDC	Producer's Forum - May & Oct	21,353
NSFDC	New Media Fund	175,000
TOTAL		\$ 354,606

Note: Some of these funds were dispersed in fiscal 1999/00. The remainder will be dispersed when contractual terms are met.

September 1, 2000

Message from the CEO



Nova Scotia's film and television production activity set a new high this year. Film and television production contributed a record total of \$130 million to the provincial economy and

created approximately 2500 jobs. We are pleased to report that production took place in many areas of the province including Halifax, Cape Breton, Windsor, Chester, Yarmouth, Lunenburg, Shelburne and other regions.

Much of this growth is directly attributable to our many talented producers and the strong level of support provided by the Government of Nova Scotia. Nova Scotia filmmakers were recognized with Gemini awards for productions of *This Hour Has 22 Minutes*, *Made In Canada* and *Emily of New Moon*. As well the feature films *Beefcake* and *Divine Ryans* were nominated for several Genie awards.

Our profile as a prime location for film development is growing. Guest productions such as *A Rumor of Angels*, *Catch a Falling Star*, *Weight of Water*, *Deeply*, *Songs in Ordinary Times* and *Baby* brought to Nova Scotia actors Sean Penn, Elizabeth Hurley, Vanessa Redgrave, Lynn Redgrave, Ray Liota, Jane Curtin, Jean Stapleton, Keith Carradine, Sarah Polley, Sela Ward, Farrah Fawcett, Sissy Spacek and Beau Bridges.

The Nova Scotia First Works program provided the opportunity for sixteen youth to participate in a work-world model in which they worked as a team in the writing, planning, shooting and editing of two videos. The program opened the doors to our growing film industry for the participants and allowed them to make a positive contribution to their Sydney and Shelburne communities. We were pleased to partner with Human Resources Development Canada in this worthwhile program.

The Nova Scotia Film Development Corporation partnered with the other Atlantic Canada film agencies and ACOA to form the Atlantic Canada Film Partners. The partnership will promote and develop the Atlantic film industry through market development, industrial research and reporting, professional development, administration and regional policy development.

Through the Nova Scotia Film Industry Tax Credit, Equity Investment, Development Loan, New Media, Special Project Award and Travel/Marketing Assistance programs, the Corporation and the Government of Nova Scotia are proud to be playing a role in the development of our vibrant film industry. The government of Nova Scotia once more demonstrated its support for the film and television industry by extending our film tax credit and introducing a regional bonus.

It has been my pleasure this past year to work with our many talented filmmakers, a supportive board of directors and provincial government. The film and television industry requires a great deal of teamwork on all fronts and Nova Scotia's community consistently meets this challenge. With our talented filmmakers and spectacular locations this coming year is sure to be another record-breaking year in terms of production activity.

Ann MacKenzie
Chief Executive Officer



Film Development Corporation

The Corporation

Created in 1990 the Nova Scotia Film Development Corporation is a Provincial Crown Corporation and reports to the Department of Economic Development. It was created by the Government of Nova Scotia under the Nova Scotia Film Development Corporation Act.

The mission of the Corporation is to grow the Film and Video Industry in Nova Scotia by stimulating investment and employment and by promoting Nova Scotia's locations, skills and creativity in global markets. This includes activities designed to:

- assist and promote the development of the private-sector film and video industry in the Province in the areas of funding, marketing, promotion, training and education;
- create and stimulate employment and investment and encourage the making of film and video productions in the Province;
- assist and co-ordinate financial or other assistance by any departments, boards, commissions or agencies of the Province to the film and video industry in the Province and co-ordinate any financial or other assistance by any departments, boards, commissions or agencies from other jurisdictions to the film and video industry in the Province;
- encourage and promote Public/Private partnership opportunities allowing Nova Scotia producers to access additional private sector funds.

The affairs of the Corporation are directed by a Board appointed by the Government of Nova Scotia. The administration of the Corporation and its programs and the implementation of the Board's decisions are carried out by the Chief Executive Officer and other full-time staff of the

Corporation. The Corporation's budget covers administration and all its industry development programs. In 1999-00 the Corporation's budget was \$2.8 million of which \$2.4 million was available for investment activities.

The Personnel

The Corporation is administered by the Chief Executive Officer of the Corporation, Ann MacKenzie, who has been with the Corporation since 1997. The Chief Executive Officer reports to the Board and has chief responsibility for all film industry programs administered by the Corporation. She is assisted in marketing Nova Scotia as a film location by a Locations Officer and with film investment and incentive programs and other corporate initiatives by the Director of Finance & Programs, the Director of Training & Development and a Secretary/Receptionist.

Growing the Film Industry in Nova Scotia

The Nova Scotia Film Development Corporation has two inter-related approaches to development of the film industry in Nova Scotia. Our locations department markets the Province as a place to film which results in co-productions or



Theodore Tugboat, Cochran Entertainment



in attracting fully financed films. Our Locations Officer maintains an extensive library of photographs representing the entire Province. The Corporation fills numerous location requests throughout the year. Locations packages include information on Nova Scotia, services available, location photographs and the much sought-after Nova Scotia Film and Video Production Guide. For the 13th year Nova Scotia Film Development Corporation produced a high-quality informative guide to film and video production in the Province, which is a key tool used by producers and production companies when considering shooting in our region.

Our second category of programs is aimed at indigenous filmmakers. The Corporation's financial programs include equity investments, development loans, special project awards, training assistance, travel/marketing assistance and new media development loans & equity investments. Additionally, the Nova Scotia Film Development Corporation administers the Nova Scotia Film Industry Tax Credit Program.

Both locations marketing and investing in our local filmmakers contribute to the development of a stable and expanding film industry in Nova Scotia.

Locations Department

Marketing

The NSFDC endeavours to maintain a high profile for Nova Scotia in the international film community through marketing, promotion and delivery of location and liaison information.

The NSFDC maintains membership in the Association of Film Commissioners International.

The Corporation presents at major film industry trade shows, festivals and participates in film industry trade missions. Marketing also includes developing key relationships with studio executives in off shore markets, and familiarizing the decision makers with the skills of our crews and the settings Nova Scotia has to offer.

The Corporation produces a top-quality production guide, CD-ROM featuring Nova Scotia

locations and Locations picture book. All of these tools showcase Nova Scotia's varied location shooting possibilities.

The world is discovering all that Nova Scotia has to offer through diversity of landscapes, cultures and people. The following is a highlight of service and guest productions that took place in Nova Scotia in fiscal 1999/00:

Commercials:	\$1,800,000
Documentary:	\$ 50,000
Feature/MOW:	\$ 57,900,000
News/Other:	\$ 250,000

In total, the above guest productions expended approximately \$60 million in Nova Scotia.

Indigenous Production

Film Industry Development Programs

The Nova Scotia Film Development Corporation administers several different economic incentive programs. These programs are accessible to Nova Scotia producers who may be acting alone or in co-productions with out-of-Province producers. In the 1999-00 fiscal year, there was seven financial programs available for Nova Scotian producers: the Equity Investment Program; the Development Loan Program; the Special Project Award; the Training Assistance Program; the Travel/Market assistance Program; the New Media Fund and the Nova Scotia Film Industry Tax Credit. In 1999-00, the Corporation had available \$2.4 million for investment and \$4.2 million was accessed by producers through the Nova Scotia Film Tax Credit.



Task Force Cavalier, Big Motion Pictures

A. Equity Investment & Development Loan Programs

The Corporation will invest in a qualifying Nova Scotia production up to one-third of the production budget to a maximum dollar participation per project of \$200,000. Our investment triggers other sources of financing and enables producers to make their films.

The Corporation provides development loans of \$25,000 per project to a maximum of one-third of the budget. These loans enable producers to develop their ideas to a stage where they can be pitched to investors

B. Travel/Marketing Assistance

The Corporation provides assistance to producers to attend festivals with the goal of selling completed works or attracting co-production partners for projects in the development stage.

C. Film Tax Credit

The film tax credit is a labour-based tax credit of 30-35% of eligible Nova Scotia labour capped at 15-17.5% of the total production budget depending on where the film is shot. The tax credit is a key financing tool used by producers to complete their film and television projects.

New Media Fund

The Corporation provides both equity investments and development loans for new media projects such as CD-ROMS and Internet-delivered programs.

Training & Development

A. FITAP

The Film Industry Training Assistance program creates opportunities for on-the job training experience by encouraging producers to take the risk of promoting a crewmember to higher levels. The Corporation will support up to four trainee positions per project to a maximum of \$57,600. To date 60 people have advanced through the program and 53 have obtained subsequent employment at the advanced level. This program is designed to increase the expertise of Nova Scotia crews by allowing individuals to receive training through experience.

B. First Works

The First Works program is a hands-on film and video production curriculum with a work-readiness and leadership development component. Sixteen students in the Shelburne and Sydney areas participated in the eight-week program where they worked as a team in the writing, planning, shooting and editing of two videos. The goal of the program was to open the doors of the film industry to the youth participants, many of whom obtained employment or advanced to further training programs in the film and television industry after completing the program.

C. Training Organizations

The Corporation invests in the continued professional development of our filmmakers through organizations such as the Moving Images Group, the Atlantic Filmmakers Co-operative, the Centre for Art Tapes and the Shortworks program. The Corporation also hosts its own seminars on business development, pitching and market-readiness.

D. Nova Scotia Film Centre

The Corporation has worked closely with the community and steering committee of the film centre project. The Nova Scotia Film Centre will focus on the art of story telling and will provide one more piece of the film and television infrastructure puzzle.

Special Initiative Programs

A. Awards

In addition to development and production funding, the Corporation has a program of special project awards. Aimed at encouraging emerging producers, the awards are available for projects that contribute significantly to the professional development of the producer. The projects in this category must be undertaken entirely in Nova Scotia by Nova Scotia residents. This category of funding is not available to producers who have already received equity investment for a production from the Corporation and is limited to a maximum of \$6000 per project.

**IMPORTANT NOTE CONCERNING THE FOLLOWING
PAGES**

**THE PAGES WHICH FOLLOW HAVE BEEN FILMED
TWICE IN ORDER TO OBTAIN THE BEST
REPRODUCTIVE QUALITY**

**USERS SHOULD CONSULT ALL THE PAGES
REPRODUCED ON THE FICHE IN ORDER TO OBTAIN
A COMPLETE READING OF THE TEXT.**

**REMARQUE IMPORTANTE CONCERNANT LES
PAGES QUI SUIVENT**

**LES PAGES SUIVANTES ONT ÉTÉ REPRODUITES EN
DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE
REPRODUCTION**

**LES UTILISATEURS DOIVENT CONSULTER TOUTES
LES PAGES REPRODUITES SUR LA FICHE AFIN
D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL**

B. Sponsorships

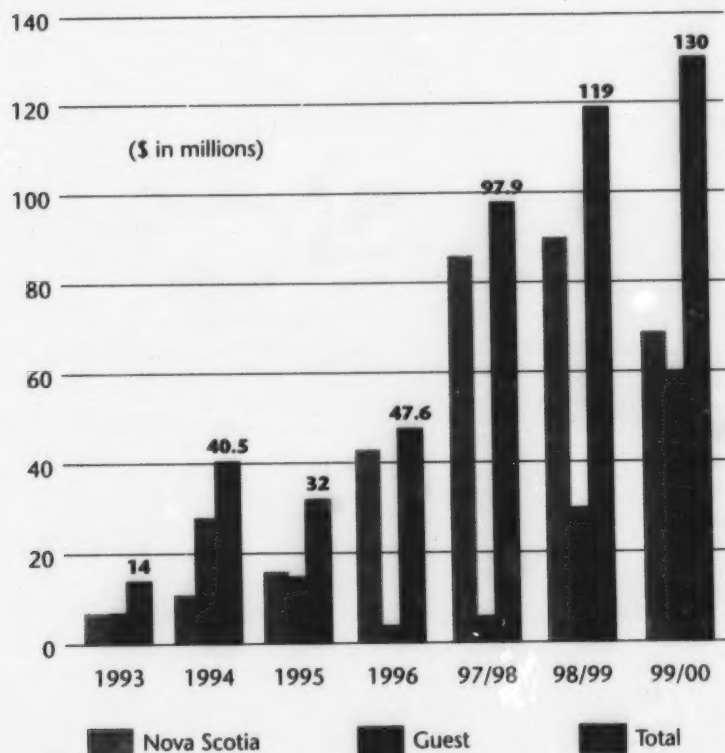
The Atlantic Film Festival - The Atlantic Film Festival hosts public screenings of current films for adults and children, several competitions (both public and juried), workshops and seminars that assist in the development of the industry, and a prestigious awards luncheon that recognizes filmmakers' accomplishments. Each year, work from around the world is showcased, but most importantly, works by producers in the Atlantic region are featured. This offers local audiences an opportunity to see original works by the region's up-and-coming talent. The Corporation views the Atlantic Film

Festival as an important development and showcase opportunity for the Nova Scotia film industry and is, therefore, pleased to partner with the festival.

The Atlantic Digital Media Festival The Atlantic Digital Media Festival is a celebration of new media content and creativity. It provides an opportunity to showcase the local multimedia producers to an international audience. The workshops, keynote addresses and awards program allow our new media community to explore the many opportunities open to this industry.



Nova Scotia Film Production



NS vs GUEST*

93	=	7.8	vs	7.8
94	=	11.5	vs	29.3
95	=	17.8	vs	18.0
96	=	43.3	vs	4.3
97/98	=	92.5	vs	5.4
98/99	=	89.5	vs	29.3
99/00	=	78.8	vs	51.2

* Please note that "Guest" production refers to non-Nova Scotia projects filmed in Nova Scotia.



B. Sponsorships

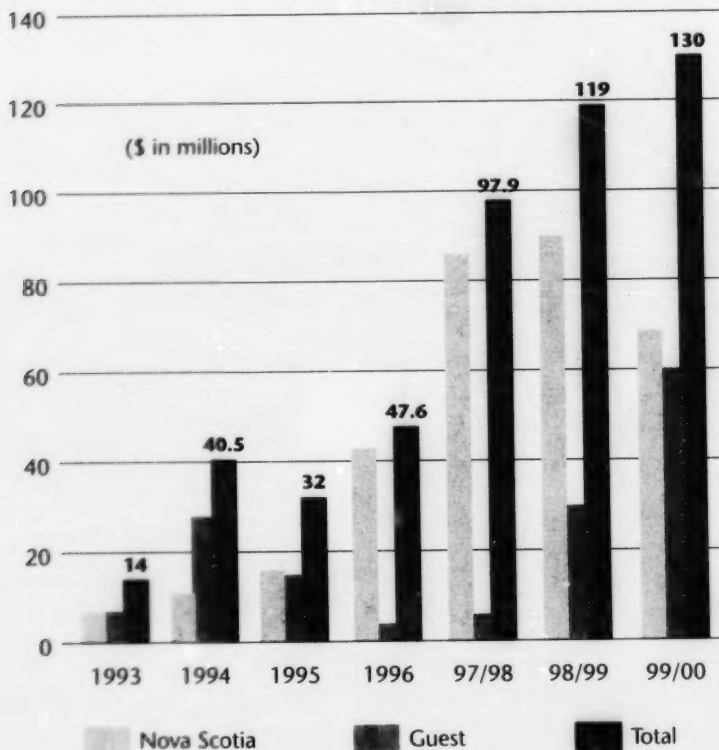
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Nova Scotia Film Production



NS vs GUEST*

93	=	7.0	vs	7.0
94	=	11.5	vs	29.0
95	=	17.0	vs	15.0
96	=	43.3	vs	4.3
97/98	=	92.5	vs	5.4
98/99	=	89.5	vs	29.5
99/00	=	70.0	vs	60.0

* Please note that "Guest" production refers to non-Nova Scotia projects filmed in Nova Scotia.

Report



Office of the
Auditor General

AUDITOR'S REPORT

To the Members of the Legislative Assembly; and
To the Minister of Economic Development

I have audited the statement of financial position of the Nova Scotia Film Development Corporation as at March 31, 2000 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and changes in fund balances for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

E.R. Salmon, FCA
Auditor General

Halifax, Nova Scotia
June 2, 2000

Statement of Financial

as at March 31,

Assets

	General Fund	MTT New Media Fund
Current		
Cash and short-term investments	\$ 1,089,103	\$ 447,301
Other receivables	360,611	750
Due from MTT New Media Fund	—	—
Prepaid expenses	15,904	—
	\$ 1,465,618	\$ 448,051

Liabilities

Current		
Payables and accruals, trade	\$ 53,928	\$ —
Deferred revenue	14,945	—
Due to general fund	—	—
	68,873	

Fund Balances

Unrestricted	3,591	
Committed	1,393,154	
	1,396,745	
	\$ 1,465,618	\$ —

Contingent Commitments General \$1,393,154 (1999 - \$1,521,609)

MTT New Media Fund \$123,183 (1999 - \$218,632) (Note 3)

APPROVED ON BEHALF OF THE BOARD

Bonita L. Kirby

Chair

[Signature]

Member

Statement of Financial Position

as at *March 31, 2000*

Assets

	General Fund	MTT New Media Fund	Total 2000	Total 1999
Current				
Cash and short-term investments	\$ 1,089,103	\$ 447,301	\$ 1,536,404	\$ 1,653,378
Other receivables	360,611	750	361,361	139,903
Due from MTT New Media Fund	—	—	—	6,000
Prepaid expenses	15,904	—	15,904	14,980
	\$ 1,465,618	\$ 448,051	\$ 1,913,669	\$ 1,814,261

Liabilities

Current				
Payables and accruals, trade	\$ 53,928	\$ —	\$ 53,928	\$ 59,720
Deferred revenue	14,945	—	14,945	12,423
Due to general fund	—	—	—	6,000
	68,873	—	68,873	78,143

Fund Balances

Unrestricted	3,591	324,868	328,459	(4,123)
Committed	1,393,154	123,183	1,516,337	1,740,241
	1,396,745	448,051	1,844,796	1,736,118
	\$ 1,465,618	\$ 448,051	\$ 1,913,669	\$ 1,814,261

Contingent Commitments General \$1,393,154 (1999 - \$1,521,609)

MTT New Media Fund \$123,183 (1999 - \$218,632) (Note 3)

APPROVED ON BEHALF OF THE BOARD

Bonita L. Kirby

Chair

[Signature]

Member

OCEAN
DEEP

Pit Pony, Cochran Entertainment

LEXX, Salter Street Films

The Bette Show, Topsall Entertainment

Statement of Operations

Changes in Fund Balances

for the year ended

	General Fund	MTT New Media Fund
Revenues		
Contributions from the Department of Economic Development (Note 4)	\$ 2,994,153	\$ —
Recovery of equity investments and development loans (Note 6 & 7)	179,714	—
Contributions from MTT (Note 5)	—	175,000
Contributions from general fund	—	175,000
First Works	115,232	—
Interest and other income	83,838	—
	\$ 3,372,937	\$ 350,000
Expenditures		
Equity investments (Note 6)	\$ 2,175,710	\$ —
Project development loans (Note 7)	267,421	—
Special project grants	289,085	—
Training assistance	113,031	—
Film school feasibility	26,702	—
First Works	30,198	—
New Media development loans	—	—
Contributions to MTT New Media Fund	175,000	—
Advertising and marketing (Page 7)	114,907	—
Administrative expenses (Page 7)	302,287	—
	3,494,341	—
Excess of Revenues over Expenditures	(121,404)	23,000
Fund Balances, Beginning of Year	1,518,149	217,000
Fund Balances, End of Year	\$ 1,396,745	\$ 448,000



Statement of Operations and Changes in Fund Balances

for the year ended *March 31, 2000*

	General Fund	MTT New Media Fund	Total 2000	Total 1999
Revenues				
Contributions from the Department of Economic Development (Note 4)	\$ 2,994,153	\$ —	\$ 2,994,153	\$ 3,447,847
Recovery of equity investments and development loans (Note 6 & 7)	179,714	—	179,714	285,510
Contributions from MTT (Note 5)	—	175,000	175,000	150,000
Contributions from general fund	—	175,000	175,000	150,000
First Works	115,232	—	115,232	—
Interest and other income	83,838	—	83,838	38,170
	\$ 3,372,937	\$ 350,000	\$ 3,722,937	\$ 4,071,527
Expenditures				
Equity investments (Note 6)	\$ 2,175,710	\$ —	\$ 2,175,710	\$ 1,933,474
Project development loans (Note 7)	267,421	—	267,421	184,469
Special project grants	289,085	—	289,085	269,281
Training assistance	113,031	—	113,031	159,273
Film school feasibility	26,702	—	26,702	45,961
First Works	30,198	—	30,198	—
New Media development loans	—	119,918	119,918	153,669
Contributions to MTT New Media Fund	175,000	—	175,000	150,000
Advertising and marketing (Page 7)	114,907	—	114,907	125,586
Administrative expenses (Page 7)	302,287	—	302,287	335,536
	3,494,341	119,918	3,614,259	3,357,249
Excess of Revenues over Expenditures	(121,404)	230,082	108,678	714,278
Fund Balances, Beginning of Year	1,518,149	217,969	1,736,118	1,021,840
Fund Balances, End of Year	\$ 1,396,745	\$ 448,051	\$ 1,844,796	\$ 1,736,118



NOTES TO Financial Statements

for the year ended March 31, 2000

1. Authority

The Nova Scotia Film Development Corporation was incorporated through an act passed by the Governor in Council on August 1, 1998. The chief purpose of the Corporation is to promote the development of, and to create and stimulate employment and investment in, the Nova Scotia film and video industry by providing financial and other assistance.

The Corporation has been approved by the Minister of Finance to administer the Nova Scotia Film Tax Credit Program, including registration of production and review of tax credit applications.

2. Significant Accounting Policies

a) A statement of cash flows is not provided since disclosure in the statement of operations and changes in fund balances is considered adequate.

b) The accompanying financial statements have been prepared in accordance with generally accepted accounting principles except for the following items:

c) Program grants, loans and equity participation are charges to current expenditures as disbursed. Recoveries derived from equity investments are recorded as revenue when received. It is not feasible to derive recoveries from equity investments and program development loans since these recoveries remain uncertain until received, as they are based upon the financial results of the respective activities.

d) Capital asset expenditures are recorded as current expenditures.

e) The costs incurred by government departments providing services to the Corporation are not reflected in these statements.

3. Surplus and Contingent Commitments

Because of the lead times required to obtain all the resources necessary to complete film and video productions, the Corporation approves applications for funding which will not result in program disbursements until subsequent fiscal periods.

As at March 31, 2000, the Corporation is contractually committed to advance funds totalling \$1,393,154 (1999 - \$1,521,609) from the general fund and \$123,183 (1999 - \$218,632) from the MTT New Media fund as investments and loans in respect of current and future projects.

4. Cost Paid by the Province of Nova Scotia

During the year, services were provided to the Corporation by government departments, including the following:

	2000	1999
Legal Services	\$ 57,937	\$ 57,937
Rent	30,000	30,000
	<u>\$ 87,937</u>	<u>\$ 87,937</u>

The cost of these services is not reflected in these financial statements.

5. MTT New Media Fund

The Corporation and Maritime Tel & Tel (MTT) entered into an agreement on August 18, 1997 for the purpose of assisting the Corporation's mandate to develop Nova Scotia film, video and multi-media productions. MTT agreed to contribute \$400,000 over three years (1997-1998 - \$75,000; 1998-1999 - \$150,000; 1999-2000 - \$175,000) which contribution will be matched by the Corporation. These funds are to be segregated and disbursed according to the guidelines jointly developed by the Corporation and MTT. The activities, assets and liabilities of this fund have therefore been distinguished from those of the general funds of the Corporation in these financial statements.

6. Equity Investments

Production assistance in the form of equity investment is provided to eligible producers for the financing of productions that will provide employment and economic benefit to Nova Scotians. Equity investments are made with the condition of repayment through participation in revenues by projects. Revenue is recorded as received.

During the year the Corporation received \$127,714 (1999 - \$242,510). The total of equity investments of the Corporation to March 31, 2000 is \$15,091,237, with recoupment to March 31, 2000 of \$764,943, for a net of \$14,326,294.

7. Project Development Loans

The Corporation provides loans to qualified applicants to support the essential process of development which takes an idea through the stages of research, writing, market analysis and costing, which must precede the completion of production financing arrangements. Support for the development of a project does not necessarily imply support for a production. All project development loans are charged to current expenditures when disbursed. Project development loans are interest free and are to be repaid the earlier of the first day of principal photography or on the optioning, sale or transfer of the property to a third party. Total development loans outstanding on March 31, 2000 were \$1,009,346 (1999 - \$781,125). Development loans of \$52,000 (1999 - \$43,000) were recouped during the year.

8. Public Service Superannuation Fund

All full-time employees of the Corporation are entitled to receive pension benefits pursuant to the provisions of the pension plan established under the Public Service Superannuation Act. The plan is funded by equal employee and employer contributions. The employer's contributions are included in the Corporation's administrative expenses. The Public Service Superannuation Fund is administered by the Department of Finance.

9. Economic Dependence and Related Party Transactions

The Province of Nova Scotia is a related party of the Corporation. The Corporation is dependant on the department of Economic Development for annual funding. Details of any transactions between these related parties are separately disclosed.



The Bookfair Murders, Second Wave Productions

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

**THE PAGES WHICH FOLLOW HAVE BEEN FILMED
TWICE IN ORDER TO OBTAIN THE BEST
REPRODUCTIVE QUALITY**

**USERS SHOULD CONSULT ALL THE PAGES
REPRODUCED ON THE FICHE IN ORDER TO OBTAIN
A COMPLETE READING OF THE TEXT.**

REMARQUE IMPORTANTE CONCERNANT LES PAGES QUI SUIVENT

**LES PAGES SUIVANTES ONT ÉTÉ REPRODUITES EN
DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE
REPRODUCTION**

**LES UTILISATEURS DOIVENT CONSULTER TOUTES
LES PAGES REPRODUITES SUR LA FICHE AFIN
D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL**

Advertising & Marketing Expenses

for the year ended March 31, 2000

	2000	1999
Advertising	\$ 32,800	\$ 18,935
Animal report	5,347	8,014
Business travel and expenses	21,402	33,092
Facilitation fee	—	11,339
Location cost	8,043	8,935
Photocopying services	5,892	6,288
Prediction guide, net of receipts of \$72,807 (1999 - \$63,342)	5,804	873
Salaries and benefits	35,619	38,110
TOTAL	\$ 114,907	\$ 125,586

Administrative Expenses

for the year ended March 31, 2000

	2000	1999
Bank charges	\$ 1,124	\$ 1,244
Board remuneration and expenses	17,646	38,918
Capital equipment	7,213	9,444
Conferences/marketing	6,006	4,796
Consultants	15,110	6,400
Courier services	6,498	7,024
Don, fee and subscriptions	4,803	3,699
Insurance	1,427	1,480
Office supplies	15,751	10,867
Photocopy/flat rent	5,282	5,369
Postage	6,476	3,990
Professional fee	4,000	3,890
Repairs and maintenance	1,347	596
Salaries and benefits	196,123	224,042
Staff training	1,481	2,850
Telephone and fax	12,000	10,927
TOTAL	\$ 302,287	\$ 335,536



Advertising & Marketing Expenses

for the year ended March 31, 2000

	2000	1999
Advertising	\$ 32,800	\$ 18,935
Annual report	5,347	8,014
Business travel and expenses	21,402	33,092
Familiarization tour	—	11,339
Location scout	8,043	8,935
Photos/location services	5,892	6,288
Production guide, net of receipts of \$72,807 (1999 - \$63,342)	5,804	873
Salaries and benefits	35,619	38,110
TOTAL	\$ 114,907	\$ 125,586

Administrative Expenses

for the year ended March 31, 2000

	2000	1999
Bank charges	\$ 1,124	\$ 1,244
Board honorarium and expenses	17,646	38,918
Capital equipment	7,213	9,444
Conferences/marketing	6,006	4,796
Consultants	15,110	6,400
Courier services	6,498	7,024
Dues, fees and subscriptions	4,803	3,699
Insurance	1,427	1,480
Office supplies	15,751	10,867
Photocopier/fax rent	5,282	5,369
Postage	6,476	3,990
Professional fees	4,000	3,890
Repairs and maintenance	1,347	596
Salaries and benefits	196,123	224,042
Staff training	1,481	2,850
Telephone and fax	12,000	10,927
TOTAL	\$ 302,287	\$ 335,536